

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-380-S - ORDER NO. 2014-48

JANUARY 14, 2014

IN RE: Application of Ocean Lakes Utilities, L.P.)	ORDER APPROVING
for Adjustment of Rates and Charges for)	PROCEDURE FOR
Sewer Services)	COLLECTION OF
)	WHOLESALE RATE
)	FROM RETAIL
)	CUSTOMERS

This matter comes before the Public Service Commission of South Carolina (“the Commission”) on the request of Ocean Lakes Utility, L.P. (“Ocean Lakes” or “the Company”) to establish a procedure to pass through to its sewer retail customers the identical amount of any increase in the wholesale rate charged to Ocean Lakes by Grand Strand Water & Sewer Authority (“GSWSA”). Ocean Lakes presently serves 2605 sewer customers in Horry County, South Carolina under rates established by Commission Order No. 93-1063. Ocean Lakes has not requested any adjustments to its sewer rate structure since the issuance of that Order.

Pursuant to the instructions of the Commission’s Clerk’s Office, the Company filed a Notice of Filing in newspapers of general circulation in its service area. No protests or petitions to intervene were filed. This Commission will proceed to rule without a hearing in this matter, pursuant to 26 S.C. Code Ann. Section 58-5-240(G) (Supp. 2013).

Ocean Lakes purchases all of its wastewater treatment service as a wholesale customer of GSWSA. On March 13, 2013, GSWSA notified the Company that a new increase in Ocean Lakes' wholesale wastewater rate would become effective on the July 1, 2013, sewer billing. The new rate is \$3.00 per thousand gallons, which is a 3.4% increase over the previous \$2.90 rate. Ocean Lakes' current approved sewer rate to its retail customers is \$1.49 per thousand gallons, which is \$1.51 per thousand gallons below the GSWSA wholesale rate.

The Company requests that it be allowed to increase its present rates so as to capture the full amount of the wholesale rate being charged to the Company. The Company requests that it be allowed an increase of \$1.51, implemented over the next two years, with a \$.76 increase on July 1, 2014, and the remaining \$.75 starting July 1, 2015. Any subsequent rate increases would also be passed on to the company's retail customers. Ocean Lakes states that, if its request is granted, that it would not need to file a full rate case for several more years. The Office of Regulatory Staff has no objection to this procedure.

We have examined this matter and hold that the request of Ocean Lakes is reasonable. Ocean Lakes may pass through, without markup, the increases in wholesale wastewater rates charged by Grand Strand Water & Sewer Authority over a two-year period as requested. Ocean Lake shall provide written notification to its customers at least thirty (30) days in advance of implementing a \$.76 increase effective July 1, 2014, and a \$.75 increase effective July 1, 2015. Ocean Lakes shall file an amended tariff with this Commission wherein the Company shall provide written notice to customers at least

thirty (30) days in advance of implementing any future pass through of wholesale wastewater rate charges. Also, at least thirty (30) days prior to implementing any pass through of future wholesale wastewater rate charges, Ocean Lakes shall file with the Commission satisfactory evidence that its wholesale wastewater rate has been or will be increased.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


Nikiya Hall, Vice Chairman

(SEAL)